

MEMORANDUM FOR:

DDI

10 JUN 1982

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B.L.

*The DDI likes
the recommendation.*

[Signature]
Date

FORM 5-75 101 USE PREVIOUS EDITIONS

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SECRET**EYES ONLY**

Executive Registry

82-5271

8 JUN 1983

MEMORANDUM FOR: Deputy Director for Intelligence

FROM : [REDACTED]
Director of Global Issues

SUBJECT : Civil Technology and Industry Division

*Bill - any
comments or
suggestions? I
intend to approve
long overdue.
Rg.*

1. I recommend that a division-level effort on civil technology and industrial competitiveness be established within the Office of Global Issues. The division would bring together people now working on industrial analysis in OGI and the technology group now located in OSWR. I also recommend that the division be headed by [REDACTED] who directed the technology analysis effort in OSWR prior to his assignment to [REDACTED] under the auspices of the President's Executive Interchange Program. I have discussed the proposed division with Tim who is eager to take on this assignment when he returns to the Agency in September.

2. The division program I have in mind would meet several objectives. For one thing I intend to place a high priority on following up on the civil technology work begun in OSWR. The major efforts would be to:

- Identify and evaluate the status of specific technologies, their potential applications and commercial role.
- Examine and assess changing international competitiveness in high technology areas and the factors driving these shifts.
- Evaluate the US national security and competitiveness implications of technology losses and/or lags.

3. My intention in this area is to focus on specific technologies, examining who has the lead, how the lead is changing, how fast and why. In addition to the work already underway, I expect to get a better handle on such issues as materials technology; personnel constraints have thus far prevented us from making much progress in this area.

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SECRET**SUBJECT: Civil Technology and Industry Division**

4. In addition to these high technology areas the proposed division would have responsibility for DDI work on maturing industries. Particular attention will be devoted to civil aeronautics, industrial automation, the machine tool industry as well as the chemical and petrochemical industries. As in the work program on high tech industries, I intend to focus on shifts in competitiveness, the implications for US technological leads and lags and the implications for US security and commercial concerns. Attention, for example, will be devoted to machine tool technology, how foreign advances in this area are undercutting US competitiveness and, in turn, the ability of the United States to sustain an independent machine tool production capability.

5. In addition to these lines of analysis, the division would include a separate unit designed to evaluate specific factors affecting the international competitive environment. This unit--drawn essentially from the group now housed in OGI--would focus on the technological and industrial strategies and policies employed by foreign governments. The kinds of issues it would address include the capital cost question, the size and scope of R&D programs, government subsidy practices and tax policies. The interaction between this unit and the technology/industry units in the division would be close, but it would be taking a substantially different analytic approach to the competitiveness issue. I intend to use this mechanism to generate competitive thinking as well as good analysis on the competitiveness question.

6. As for staffing, I recommend we establish a division consisting of ☐ positions. I would expect ☐ of these to come from OSWR--this would include positions associated with the personnel staffing of the Free World Technology Group now in the TTAC. The remaining ☐ positions would come from OGI--☐ associated with the existing Industrial Analysis Branch in the Economics Division and ☐ additional positions I intend to shift from other units in the office. These include four positions from the Energy Division and four from the Resources Division.

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SUBJECT: Civil Technology and Industry Division

7. I believe this level of effort will achieve the objectives we have in mind for the division. It should be noted that the unit would continue to provide any support required by the TTAC group. I have discussed this issue with [redacted] who agrees with the thrust of the proposal.

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Attachment:

Proposed Structure of Civil
Technology and Industry Division

APPROVED:

Deputy Director for Intelligence

Date

DISAPPROVED:

Deputy Director for Intelligence

Date

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CIVIL TECHNOLOGY AND INDUSTRY DIVISION

Chief:

Technology Analysis Branch

Chief:

Analytical Responsibilities

- semiconductors
- computers
- telecommunications
- genetic engineering and biotechnology
- civil space
- materials technology
- marine technology

Industries Branch

Chief: Open

Analytical Responsibilities

- civil aeronautics
- industrial automation/robotics
- machine tools
- chemical/petrochemicals
- steel/metallurgy
- automobiles

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CIVIL TECHNOLOGY AND INDUSTRY DIVISION (CONT'D)

Competitive Factors Branch

Chief:



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Analytical Responsibilities

- capital costs and corporate financing
- general industrial policies and government-industry relationships
- industrial organization and management
- technology/R&D strategies
- division-wide assistance on data collection and manipulation

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